

AMENDED IN ASSEMBLY APRIL 21, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1618**

**Introduced by Assembly Member Klehs**

February 22, 2005

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~~An act to amend Sections 451 and 452 of the Revenue and Taxation Code, relating to taxation. An act to add Section 6863.11 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1618, as amended, Klehs. ~~Use tax collection: property tax statements: purchases of personal property. Sales and use taxes: exemptions: alternative fuel passenger transit buses.~~

~~-(1) The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Existing law requires retailers, as specified, to register with, and to obtain a seller's permit from, the State Board of Equalization. The State Board of Equalization issues forms for the computation and payment of sales and use taxes collected or owed by those retailers. There is no requirement for persons, other than retailers that owe use taxes, to register with the State Board of Equalization. Consequently, those persons do not receive forms for the computation and payment of use taxes. The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Existing law requires retailers, as specified, to register with, and to obtain a seller's permit from, the State Board of Equalization. The State Board of Equalization issues forms for the computation and payment of sales~~

~~and use taxes collected or owed by those retailers. There is no requirement for persons, other than retailers that owe use taxes, to register with the State Board of Equalization. Consequently, those persons do not receive forms for the computation and payment of use taxes..~~

~~Existing property law requires each person owning taxable personal property, with an aggregate cost of \$100,000 or more, to file a signed property statement with the county assessor. Existing law provides that the State Board of Equalization shall prescribe the information that is required to be included in the personal property statement. Existing law provides that the information contained in the personal property statement shall not be open for public inspection.~~

~~This bill would require that a personal property statement include information regarding a person's responsibility for payment of sales or use taxes, and would request information with respect to that person's acquisition of tangible personal property for which sales or use tax, as applicable, has not been paid. This bill would require the county assessor to forward this information to the State Board of Equalization.~~

~~(2) This bill, by imposing new duties on a county assessor, would constitute a state-mandated program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

*The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.*

*This bill would exempt from the sales and use tax tangible personal property sold or leased to a qualified person, as defined, and used to manufacture alternative fuel prototype buses pursuant to a qualified research and development contract, as defined.*

*Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from*

*state sales and use taxes enacted by the Legislature are incorporated into the local taxes.*

*Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.*

*This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.*

*This bill would take effect immediately as a tax levy but its operative would depend on its effective date.*

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 6368.11 is added to the Revenue and  
2     Taxation Code, to read:

3     6368.11. (a) There are exempted from the taxes imposed by  
4     this part, the gross receipts from the sale in this state of, and the  
5     storage, use, or other consumption in this state of, qualified  
6     equipment sold or leased to a qualified person.

7     (b) For the purposes of this section:

8     (1) "Qualified equipment" means tangible personal property  
9     that is used to manufacture alternative fuel prototype buses  
10    pursuant to a qualified research and development contract.

11    (2) "Qualified person" means a contractor who provides  
12    integration and installation of fuel cell components for a public  
13    transportation agency that is a member of the California Fuel  
14    Cell Partnership and has a demonstration site.

15    (3) "Qualified research and development contract" means a  
16    contract for informational and testing use pursuant to paragraph  
17    (7) of subdivision (a) of Section 1501.1 of Title 18 of the  
18    California Code of Regulations, as filed on February 21, 1996.

19    SEC. 2. Notwithstanding Section 2230 of the Revenue and  
20    Taxation Code, no appropriation is made by this act and the  
21    state shall not reimburse any local agency for any sales and use  
22    tax revenues lost by it under this act.

23    SEC. 3. This act provides for a tax levy within the meaning of  
24    Article IV of the Constitution and shall go into immediate effect.

1 *However, the provisions of this act shall become operative on the*  
2 *first day of the first calendar quarter commencing more than 90*  
3 *days after the effective date of this act.*

4 ~~SECTION 1. Section 451 of the Revenue and Taxation Code~~  
5 ~~is amended to read:~~

6 ~~451. (a) Except as provided in subdivision (b), all~~  
7 ~~information requested by the assessor or furnished in the property~~  
8 ~~statement shall be held secret by the assessor. The statement is~~  
9 ~~not a public document and is not open to inspection, except as~~  
10 ~~provided in Section 408.~~

11 ~~(b) The assessor shall provide the State Board of Equalization~~  
12 ~~with any information requested by the assessor or furnished with~~  
13 ~~the property statement concerning purchases or acquisitions of~~  
14 ~~tangible personal property for which tax reimbursement or use~~  
15 ~~tax, as applicable, was not paid or remitted to the State Board of~~  
16 ~~Equalization.~~

17 ~~SEC. 2. Section 452 of the Revenue and Taxation Code is~~  
18 ~~amended to read:~~

19 ~~452. (a) For the assessment year beginning in 1968 and each~~  
20 ~~assessment year thereafter, the board shall prescribe in detail the~~  
21 ~~content of property statements, including the specific wording, to~~  
22 ~~be used by all assessors in the several counties, and cities and~~  
23 ~~counties, and shall notify assessors of those specifications no~~  
24 ~~later than the August 31 prior to the tax lien date on which they~~  
25 ~~become effective. Each assessor shall incorporate the~~  
26 ~~specifications on the exact form he or she proposes to use and~~  
27 ~~submit that form to the board for approval prior to use. The~~  
28 ~~property statement shall not include any question that is not~~  
29 ~~germane to the assessor's tax administration functions.~~

30 ~~(b) In addition to the specifications required by subdivision~~  
31 ~~(a), the property tax statement shall include a request for~~  
32 ~~information concerning an assessee's purchases or acquisitions of~~  
33 ~~tangible personal property for which sales tax reimbursement or~~  
34 ~~use tax, as applicable, was not paid or remitted to the State Board~~  
35 ~~of Equalization. The property tax statement shall be accompanied~~  
36 ~~with information regarding a person's sales and use tax~~  
37 ~~obligations with respect to the purchase and acquisition of~~  
38 ~~tangible personal property.~~

39 ~~SEC. 3. If the Commission on State Mandates determines that~~  
40 ~~this act contains costs mandated by the state, reimbursement to~~

1 ~~local agencies and school districts for those costs shall be made~~  
2 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
3 ~~4 of Title 2 of the Government Code.~~

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